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FOR IMMEDIATE RELEASE

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PRESS RELEASE

**THE UNITED STATES AND TUTOR PERINI CORPORATION SETTLE
CIVIL FRAUD CLAIMS FOR \$9.75 MILLION**

***Settlement Resolves Claims That Tutor Perini Fraudulently Reported Minority and Disadvantaged
Business Enterprises Were Performing Subcontracted Work on Federally Funded Public Works
Contracts with New York City and the State of New York***

Benton J. Campbell, United States Attorney for the Eastern District of New York, today announced the settlement of claims that Tutor Perini Corporation, formerly Perini Corporation ("Perini"), a publicly-traded construction services corporation, falsely and fraudulently reported that certain minority and disadvantaged business enterprises ("DBEs") were performing subcontracted work on federally funded public works contracts with the City and State of New York, when in fact non-DBE subcontractors were performing the work. Pursuant to the settlement, Perini has paid the United States \$9,750,000. The settlement does not constitute an admission of liability by Perini.

In approximately 1980, the United States Department of Transportation (USDOT) issued regulations in connection with a program to increase the participation of DBEs in federally-funded public construction contracts relating to transportation. Pursuant to those regulations, recipients of USDOT construction grants, specifically, state and local governments, are required to establish DBE programs that set specific goals for the percentage of work to be awarded to DBEs, and ensure that good-faith efforts are made by general contractors to engage qualified DBEs as subcontractors. Under the applicable regulations, not less than 10 percent of the authorized funds are to be expended with DBEs. The New York State Department of Transportation (NYSDOT) and the City of New York, acting through the New York City Department of Transportation (NYCDOT), have established DBE programs and are recipients of USDOT construction grants.

The settlement announced today is the result of a joint investigation conducted by the Federal Construction Fraud Task Force, which was organized by the United States Attorney's

Office in June 1999 to investigate fraud and corruption in the construction industry. In addition to the U.S. Attorney's Office, the members of the Task Force include the Internal Revenue Service, Criminal Investigation Division; the USDOT Office of the Inspector General; the U.S. Department of Labor Office of the Inspector General; the New York City Department of Investigation; the Inspector General for the Metropolitan Transportation Authority; and the Inspector General for the Port Authority of New York and New Jersey.

"The DBE programs were established to increase the participation of minority and disadvantaged businesses in the federal, state, and local contracting process," stated United States Attorney Campbell. "This office will move vigorously against companies that seek to subvert this important and laudable goal."

The government's case was litigated by Assistant United States Attorney Thomas A. McFarland.